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Country cooperation frameworks and related matters

Extension of the first country cooperation framework for Lesotho (1997-2000)

Note by the Administrator

Period of extension: 1 January 2001 to 31 December 2001

I. Background and justification

1. The first country cooperation framework (CCF) for Lesotho for 1997 to 2000 was approved by the Executive Board in May 1997. CCF preparations including consultations between the Government of Lesotho, United Nations organizations and other stakeholders in the country began in July 1995. The partners reached a consensus on the broad policy priorities of future cooperation between the Government and UNDP.

2. The CCF implementation process took place amid general economic and social difficulties, chief among them being the political crisis of 1998. The ruling Lesotho Congress for Democracy won 79 of the 80 parliamentary seats in the May 1998 elections. Although the elections were certified free and fair, meeting the best standards by the international observers, opposition parties refused to accept the election results. Political tensions mounted, resulting in general civil unrest and involuntary work stoppages. The intervention of the Southern African Development Community (SADC) eventually sparked the burning and looting of three major urban centres. Gross domestic product (GDP) dropped by 5.5 per cent, about 400 private businesses closed and an estimated 6,000 jobs were lost.

3. The country has consequently experienced major reversals in macroeconomic gains, a drastic, sudden decline in GDP, rising unemployment and increased poverty levels. A post-conflict needs assessment conducted by a UNDP/Work Bank Team estimated total loss at US$ 60 million. HIV/AIDS is one of the key development challenges facing Lesotho. According to the estimates of the Joint United Nations Programme on HIV/AIDS (UNAIDS), there is 23.6 per cent prevalence rate among

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adults, mostly women. There were 16,000 reported deaths in 1998 attributed to the epidemic. Deaths are clustered in the productive age group of 20 to 30 years old. Based on these figures, the World Bank projects a significant adverse impact on the demographic structure, labour and human resources, and performance of the economy.

4. The prevailing political situation has affected programme performance and delivery and has not been conducive to foreign investment. Political dialogue between the Government and the opposition parties continues in an effort to resolve the conflict. Several agreements have been signed. Overall progress, however, is slow and time frames set in these agreements have elapsed. One of the most encouraging developments has been the establishment of the Interim Political Authority (IPA), created in 1998 by an Act of Parliament. Comprising all 12 political parties in Lesotho, it is the main body responsible for steering the political dialogue towards a consensus on a number of political issues, particularly the holding of new elections in 2001. A new Independent Electoral Commission (IEC) has been created, supplemented by two international electoral experts.

5. The extension of the current CCF is necessary for these reasons. A one-year extension will ensure the participation of the new Government in the second CCF process and, will also provide the necessary time to harmonize the UNDP programming period with the other United Nations organizations in Lesotho. UNDP, the United Nations Children's Fund (UNICEF), the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO) and the International Labour Organization (ILO) intend to do so beginning in January 2002; the United Nations Population Fund (UNFPA) and the World Food Programme (WFP) are scheduled for 2003.

II. Objectives

6. The objectives of the first CCF were intended to support government development priorities. The CCF therefore focused on three thematic areas: enhanced governance and capacity development for economic management and civil service reform; human resources development and employment creation; rural development and environmental management. Two other independent projects were also included, namely support to HIV/AIDS awareness and conserving mountain biodiversity, for their importance towards achieving the development goals. The CCF continues to be relevant to the sixth national development plan for 1996 to 1999. The Government is preparing the seventh national development plan which will form the basis of the second CCF for Lesotho.

III. Recommendation

7. The Administrator wishes to inform the Executive Board that he has approved the extension of the first country cooperation framework for Lesotho for a period of one year, from 1 January to 31 December 2001.

Annex

Resource mobilization target table for Lesotho (2000-2001)

Source	Amount (In thousands of United States dollars)	Comments
UNDP regular resources		
IPF carry-over	446	
TRAC 1.1.1	4 607	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	350	
SPPD/STS	746	
Subtotal	**6 149**[a]	
UNDP other resources		
Government cost-sharing	2 014	
Third-party cost-sharing	1 946	
Funds, trust funds and other	2 662	
	of which:	
GEF	2 241	
Montreal Protocol	61	
UNV	360	
Subtotal	**6 622**	
Grand total	**12 771**[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.
Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNV = United Nations Volunteers.